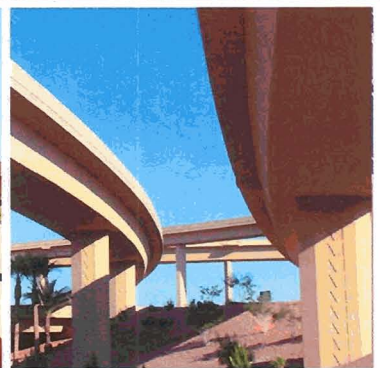
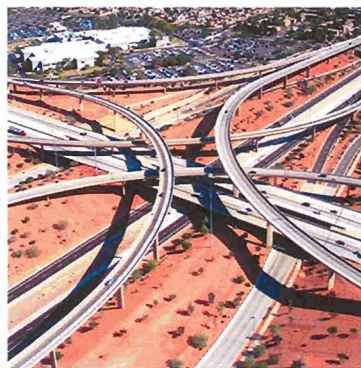
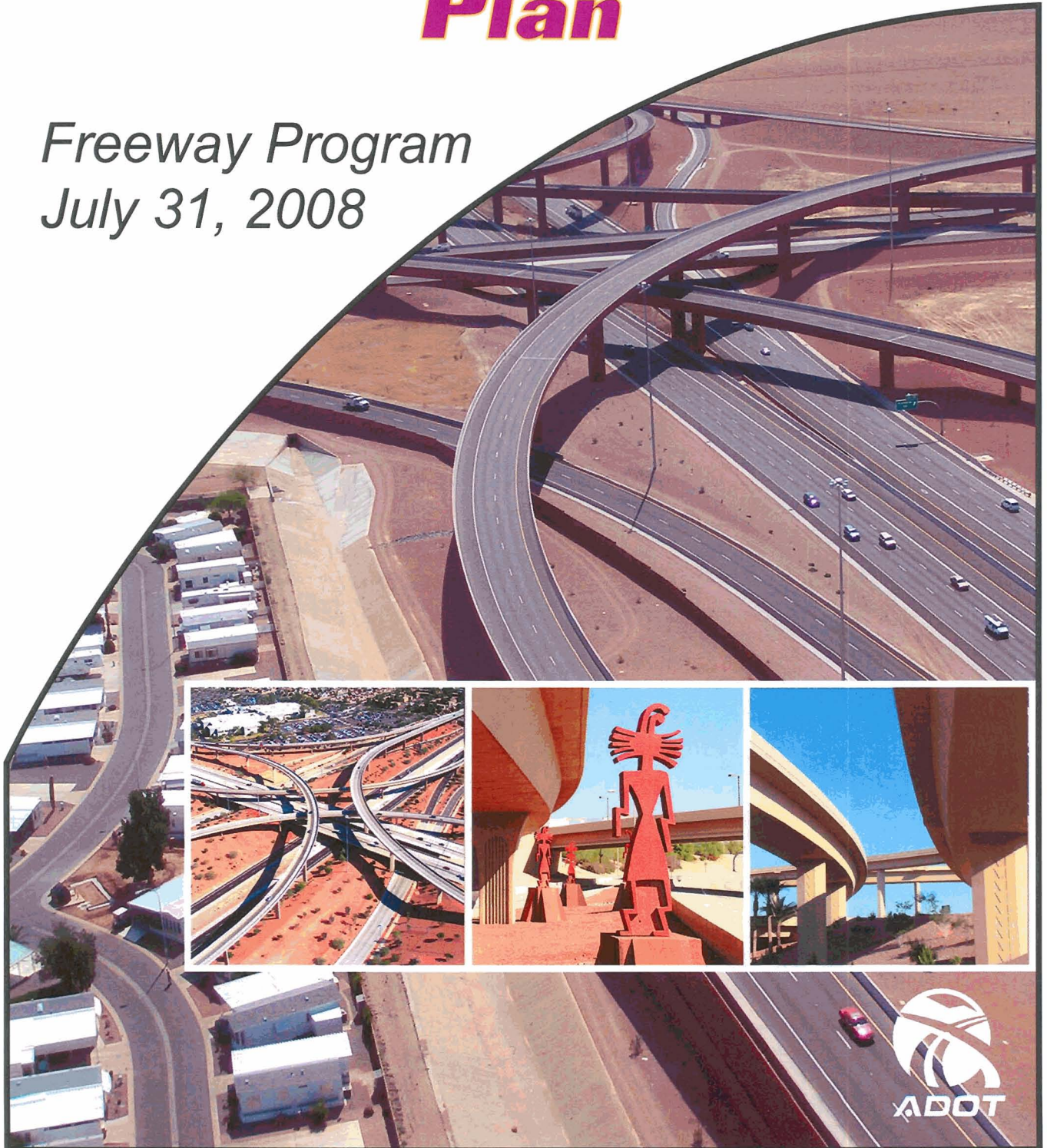


Life Cycle Certification Regional Transportation Plan

*Freeway Program
July 31, 2008*



Arizona Department of Transportation

Certification of Revenue and Construction Costs for the

Regional Transportation Plan Freeway Program July 31, 2008



A handwritten signature in blue ink, reading "Victor M. Mendez". The signature is fluid and cursive, with the first and last names being more prominent.

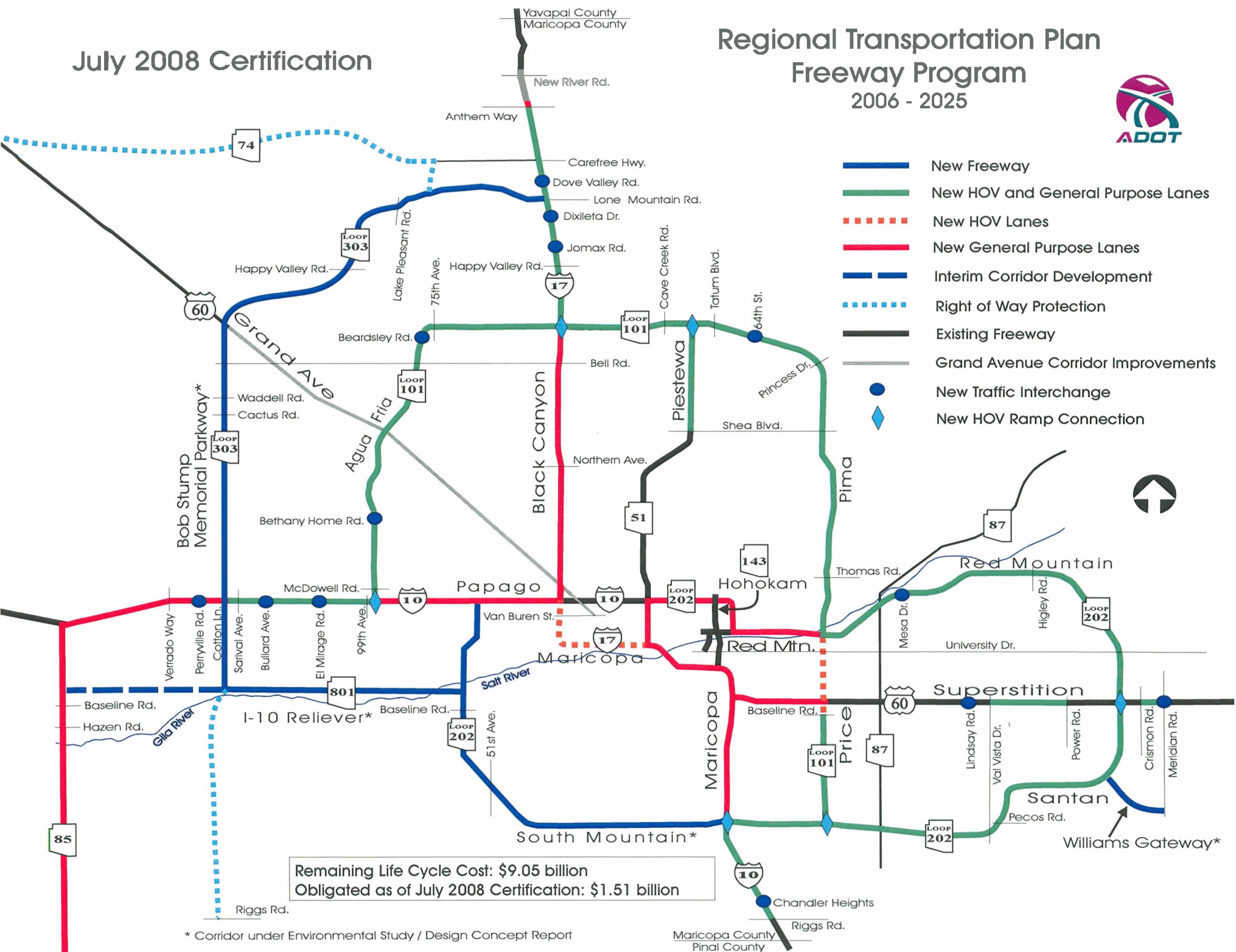
Victor M. Mendez, Director
Arizona Department of Transportation

July 2008 Certification

Regional Transportation Plan Freeway Program 2006 - 2025



- New Freeway
- New HOV and General Purpose Lanes
- - - New HOV Lanes
- New General Purpose Lanes
- - - Interim Corridor Development
- ⋯ Right of Way Protection
- Existing Freeway
- Grand Avenue Corridor Improvements
- New Traffic Interchange
- ◆ New HOV Ramp Connection



Remaining Life Cycle Cost: \$9.05 billion
Obligated as of July 2008 Certification: \$1.51 billion

* Corridor under Environmental Study / Design Concept Report

Maricopa County
Pinal County

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INTRODUCTION AND HISTORY

This semi-annual Regional Transportation Plan Freeway Program (RTPFP) Life Cycle Certification report is prepared in compliance with the 1991 Performance Audit of the Maricopa Association of Governments (MAG) Regional Freeway Program. The Arizona Department of Transportation (ADOT) will continue to produce semi-annual Certification report for the RTPFP. The report is designed to review the progress of the RTPFP and identify the projections and changes in program revenues and costs.

The RTPFP is funded by three primary revenue sources: the extension of the Maricopa County transportation excise tax (often referred to as the half cent sales tax or Regional Area Road Funds), the Arizona Department of Transportation's (ADOT) funds dedicated to Maricopa County and federal funds.

Per ARS 42-6105.E, 56.2 percent of all sales tax collections will be distributed to freeways and state highways; 10.5 percent will be distributed to arterial street improvements; and 33.3 percent will be distributed to the public transportation fund.

The RTPFP Life Cycle Program includes both new facilities and improvements to the existing system. Operation and maintenance of the system are also addressed. Projects include new freeway corridors, additional lanes on existing facilities, new interchanges at arterial cross streets, high occupancy vehicle ramps at system interchanges, noise mitigation and maintenance and operations programs.

The concept of a Life Cycle Program refers to a programming approach that forecasts and allocates funds through the full life of a major funding source. The Life Cycle Program covers the project program through fiscal year 2026, and reflects a fiscal balance between anticipated revenues and expenditures. The Life Cycle Program provides the necessary management tools to ensure both ADOT and MAG maintain realistic planning and construction schedules, predicated upon funding, and provide periodic reports to the public and other governmental agencies.

Arizona House Bill 2292, which was passed in the Spring 2003 session of the Arizona Legislature, established the Transportation Policy Committee which was tasked with developing a Regional Transportation Plan for Maricopa County, and established the process for an election to extend the current half cent County Transportation Excise Tax. The Regional Transportation Plan Freeway Program includes both new freeway corridors to serve growth in the region and improvements to the existing system to reduce current and future congestion. The Regional Transportation Plan also addresses quality of life issues such as noise mitigation, maintenance, litter control and landscaping. The Regional Transportation Plan has three major components: Freeways/Highways, Transit and Arterial Roads.

On November 2, 2004, voters in Maricopa County approved Proposition 400 to extend the existing half cent Sales Tax for transportation for an additional twenty years from January 2006 to December 2025. The previous tax expired December 31, 2005.

The FY 2007-2011 RTP Freeway Program incorporated two locally accelerated projects:

- * I-10, Sarival Avenue – Agua Fria Freeway (SR101L): Advanced from FY 2011/14 to FY 2008/09.
- * I-17, Dove Valley Road TI: Advanced from FY 2021/22 to FY 2007/08.

Arizona House Bill 2865, approved in the spring session of the Arizona Legislature (2006), established the Statewide Transportation Acceleration Needs (STAN) account. The STAN account provided \$307 million to be used for the acceleration of the design, R/W acquisition and construction or reconstruction of freeways, state highways, bridges and interchanges on the statewide highway system.

Per HB 2865.G, 60 percent (\$184.2 million) would be distributed to projects in Maricopa County. Pima County would receive 16% (\$49.1 million) and the remaining 24% (\$73.7 million) funds were distributed to the thirteen other counties. It is anticipated that 5% growth in interest income will increase the MAG allocation to \$193.4 million.

The legislation required that funds spent in Maricopa County be allocated to projects in the MAG Regional Transportation Plan. Six projects approved by the MAG Regional Council and State Transportation Board include:

- * I-10 (Papago Freeway), Verrado Way – Sarival Avenue
- * I-17 (Black Canyon Freeway), SR74 – Anthem Way
- * Pima Freeway (SR101L), Tatum Boulevard – Princess Drive
- * Price Freeway (SR101L), Baseline Road – Santan Freeway (SR202L)
- * Bob Stump Memorial Parkway (SR303L), Bell Road, Cactus Road and Waddell Road intersections
- * Williams Gateway Freeway, Santan Freeway (SR202L) – Meridian Road for R/W Protection

On September 2007, the State Transportation Board approved deletion of SR153 from the RTP Freeway Program and shifted available funding for improvements to the SR143/SR202L TI. The proposed change is a major amendment and required that the statutory consultation process be followed per A.R.S. 28-6353.

Arizona House Bill 2781, Section 108, approved in the 2007 spring session of the Arizona Legislature, extended the maximum transportation bond term to thirty years from twenty years. This Bill will provide approximately \$500 million for the programming of design, R/W acquisition and construction projects on the statewide highway system.

Arizona House Bill 2781, Section 108, also approved in the 2007 spring session of the Arizona Legislature, transferred \$62 million from the State Highway Fund to the Statewide Transportation Acceleration Needs account established by Section 28-7009, Arizona Revised Statutes.

Arizona House Bill 2620, Section 21(B), approved in the 2008 spring session of the Arizona Legislature, transferred \$42 million from the STAN account to the Department of Public Safety for highway patrol costs in fiscal year 2007-2008.

Arizona House Bill 2094, Section 28-7009(F)(2), approved in the 2008 spring session of the Arizona Legislature, allowed the STAN account can be used to pay for interest costs resulting from bonds, loans, notes or other obligations issued or incurred or advances made by or on behalf of a city, town or county.

A key management tool used for the Life Cycle Program is the development of certified revenues and costs. Certification involves the preparation of reliable cost estimates for the entire MAG system, as well as a forecast of revenues available to fund the system. The costs and revenues are reviewed and certified by ADOT every six months.

This certification of information pertaining to the Regional Transportation Plan Freeway Program constitutes the official position of ADOT and is used for all planning and programming purposes. It enhances the information flow to MAG and the public on a periodic basis and allows ADOT to make program adjustments as necessary.

EXECUTIVE SUMMARY

The Director of the Arizona Department of Transportation has certified the MAG Area Life Cycle Program of the Regional Transportation Plan Freeway Program (RTPFP) effective July 31, 2008. This certification of the MAG Area Life Cycle Program incorporates the Adopted FY 2009 – 2013 Regional Transportation Plan Freeway Program.

Revenue forecasts are based on a cutoff date of May 31, 2008.

Major Milestones since Last Certification

- ❑ The final segment of the Proposition 300 project on the Red Mountain Freeway (SR202L) from Power Road to University Drive was opened to traffic in July 21, 2008. A freeway public celebration and ribbon cutting ceremony was held Tuesday, July 15, 2008.
- ❑ The Price Freeway (SR101L) from Red Mountain Freeway (SR202L) to Santan Freeway (SR202L) HOV construction project was advertised in March 2008 and awarded in June 2008.
- ❑ The Red Mountain Freeway (SR202L) at Mill Avenue and Washington Street bridge widening construction project was advertised in March 2008 and awarded in May 2008.
- ❑ The Superstition Freeway (US60) from I-10 to Price Freeway (SR101L) freeway widening construction project was advertised in March 2008.
- ❑ The Red Mountain Freeway (SR202L) from I-10/SR51 to Price Freeway (SR101L) Design-Build project was advertised for “Request for Design-Build Proposals” in May 2008 and this project is scheduled to be awarded in November 2008.
- ❑ The Black Canyon Freeway (I-17) from Jomax Road to SR74 construction project was awarded in January 2008.
- ❑ Quiet Pavement Phase X construction project was awarded in January 2008.
- ❑ The Maricopa Freeway (I-10) from Southern Avenue to SR143 construction project was awarded in February 2008.
- ❑ The Pima Freeway (SR101L) from Tatum Boulevard to Princess Drive HOV construction project was awarded in April 2008.

Program Changes

The following changes to the Tentative FY 2009 – 2013 Regional Transportation Plan Freeway Program have been included in the new program.

- ❑ Updated design, R/W and construction costs based on latest estimates.
- ❑ Separated utility construction projects from roadway construction projects on I-10 and SR85.
- ❑ Separated R/W project from multi phased project on SR85.
- ❑ Deferred design projects to align with study schedule for various projects.
- ❑ Deferred construction schedule to align with design schedule for various projects.
- ❑ Established new R/W projects on SR303L between I-10 and Grand Avenue (US60).
- ❑ Established new traffic interchange (TI) improvement subprogram in FY 2013.
- ❑ Established new design projects on SR303L and SR85.
- ❑ Established new Freeway Management System (FMS) project on Price Freeway (SR101L).
- ❑ Deleted one construction project and transferred funds to two existing construction projects on SR303L.
- ❑ Minor project name changes to reflect updated project limits.

Revenues

Net funds available through year 2025 for the RTP Freeway Program show a decrease of \$121.4 million from the previous Certification. Details are presented in the “Revenue Projections” section, page 10.

Program Costs

Obligations for the RTP Freeway Program totaled \$1.51 billion. The remaining cost to complete the RTP Freeway Program totaled \$9.05 billion.

Design Concepts and Environmental Studies

A Design Concept Report (DCR)/Categorical Exclusion (CE) is underway for the I-10 corridor between SR101L and I-17. The study includes adding general purpose lanes.

A DCR/Environmental Impact Statement (EIS) is underway for the I-10 corridor between SR51 and Baseline Road. The study includes freeway widening for local and express lanes.

A Project Assessments (PA) were completed for the I-17 corridor at the Happy Valley Road TI and the Pinnacle Peak Road TI. The study includes TI improvements.

Preliminary activities for a DCR/EIS are underway for the I-17 Corridor between I-10 and SR101L. The study will include freeway widening concepts.

A DCR/CE is underway for Grand Avenue (US60) between the Agua Fria Freeway (SR101L) and McDowell Road. The study includes minor roadway improvements.

A Feasibility Study/Environmental Overview is underway for the Grand Avenue (US60) between SR303L and SR101L. The study includes various roadway improvements.

A DCR/Environmental Assessment (EA) is underway at the SR85/I-8 TI. The study includes a divided roadway concept and a new interchange configuration.

A DCR/CE is underway for the Pima Freeway (SR101L) between Princess Drive and SR202L. The study includes adding general purpose lanes.

A DCR/EIS is underway for the South Mountain Freeway Corridor (SR202L) between I-10 East and I-10 West. The study includes the construction of a new freeway.

A DCR/EA is underway for the Bob Stump Memorial Parkway (SR303L) between the I-10 Reliever (SR801) and I-10. The study includes the construction of a new freeway.

A DCR/EA is underway for the Bob Stump Memorial Parkway (SR303L) between I-10 and Grand Avenue (US60). The study includes the construction of a new freeway.

A DCR/EA is underway for the Bob Stump Memorial Parkway (SR303L) between Grand Avenue and Happy Valley Road. The study includes upgrading divided highway to freeway.

Preliminary activities for a DCR/EA are underway for the I-10 Reliever (SR801) between SR85 and the South Mountain Freeway (SR202L). The study includes the construction of a new freeway.

A DCR/Environmental Overview is underway for the Williams Gateway Freeway (SR802) between SR202L and Meridian Road. The study includes the construction of a new freeway.

Program Trends

Maricopa County has experienced an unprecedented escalation of construction costs for labor, petroleum products, construction materials and right of way between 2003 and 2008 which significantly increased the cost for individual Regional Transportation Plan Freeway Program (RTPFP) projects.

Additionally, the current slowdown in Maricopa County's economy has resulted in substantially lower revenue collections than projected for both the Regional Area Road Fund (RARF) and Highway User Revenue Fund (HURF) revenues used to fund the Regional Transportation Plan (RTP) Freeway Program.

The Department and MAG are cooperatively evaluating the cumulative impacts of these economic factors to determine the significance of their effects upon the cost, scheduling and delivery of the RTPFP. A Cost Estimate Assessment is underway to analyze the current status of the RTP Freeway Program including the following items:

- Evaluation of the growth in construction and right-of-way costs between 2003 and 2008, and future trends for these project costs.
- Evaluation of project costs to determine how these costs have increased since the inception of the RTP Freeway Program.
- Determination of the portion of additional costs attributable to recent escalation of costs for construction labor, materials and right-of-way acquisition.
- Evaluation of freeway projects to determine if cost increases occurred due to unforeseen conditions (scope changes) resulting from updated design concept reports and expanded environmental studies.
- Updating RTP Freeway Program costs for each project based upon refined project requirements and updated construction and right-of-way costs.

The results of this evaluation will provide ADOT and MAG the financial methodology to work together to evaluate potential adjustments to the RTP Freeway Program to ensure implementation of the program as scheduled. These adjustments could include delaying projects, reducing the scope, or looking at staging or phasing options.

ADOT will monitor and review these trends closely and will continue assessing the potential financial impacts to the Regional Transportation Plan Freeway Program.



Janet Napolitano
Governor

Victor M. Mendez
Director

Arizona Department of Transportation
Transportation Services Group
206 South Seventeenth Avenue Phoenix, Arizona 85007-3213

John A. Bogert
Chief of Staff

LETTER OF CERTIFICATION

The Financial Management Services Office of the Arizona Department of Transportation (ADOT) has developed the following information describing the estimated funds available for construction of the Regional Transportation Plan Freeway Program from Fiscal Year 2006 through Fiscal Year 2026. This information updates certain information previously certified on January 31, 2008.

This information is intended primarily for internal planning purposes and requires reliance upon a variety of data and information sources. The revenue forecasts rely upon assumptions regarding future economic conditions and on forecasts of certain independent economic variables. These assumptions may or may not prove to be accurate. If the assumptions do not prove accurate, differences between forecast and actual results may occur.

We believe the results contained herein represent a realistic forecast of Maricopa County transportation excise tax revenues, MAG share of the ADOT funds and other available monies for the period described above and so certify. However, the Department will continue its practice of reviewing and updating the forecasts as needed on a semi-annual basis.



John E. McGee
Chief Financial Officer

July 31, 2008
Date

FINANCIAL ASSUMPTIONS

Following are the assumptions made in estimating revenues available for the Regional Transportation Plan Freeway Program.

Bond Proceeds and Debt Service: The issuance of bonds secured by RARF, HURF and federal aid revenues are assumed. Interest on the bond issues is assumed to be 5.0 % maximum. Bond maturities are assumed for up to 30 years. Bonds are amortized on a level debt service basis, and assume no refinancing or restructuring.

Transportation Excise Tax: The official forecast was developed during the September 2007 Risk Analysis session and was adjusted in 2008 to reflect current economic conditions. Authority for and collection of the Proposition 300 transportation excise tax ended on December 31, 2005. The half Cent Sales Tax extension approved through Proposition 400 went into effect on January 1, 2006. Per ARS 42-6105.E, 56.2 percent of all sales tax collections will be distributed to freeways and state highways; 10.5 percent will be distributed to arterial street improvements; and 33.3 percent will be distributed to the public transportation fund.

ADOT Discretionary Funds, 37%: A 37 percent share of ADOT Discretionary Funds is programmed for the MAG Region.

Highway User Revenue Fund (HURF), 15%: The MAG area receives annual funding in the form of ADOT 15 percent funds, which are allocated from the Highway User Revenue Fund. These funds are spent for improvements on controlled access routes on the State Highway System.

Federal Aid: Federal Aid includes STP and CMAQ funds. The Federal Aid forecast assumes an annual average of \$34.1 million (until FY 2015) of MAG sub-allocated federal funds will be dedicated to the RTP Freeway Program.

Statewide Transportation Acceleration Needs (STAN): Per statute, 60 percent of the STAN is distributed to projects in the Maricopa County region. Pima County receives 16% and the remaining 24% are distributed to the other thirteen counties.

Interest Income: Assumes a 3.0% investment rate with 95% invested. Interest income is dependent on prior month's average cash balance.

Third Party Billing: Represents local funds and State federal funds for programmed projects.

Other Income: Includes building rent, sales of excess property and other miscellaneous income.

Discount Factor: Base year is FY 2009. An annual inflation factor is applied to the costs based on estimated construction and right of way cash flows. See Appendix A.

Additional assumptions regarding the funding from half Cent Sales Tax Extension include the following principles:

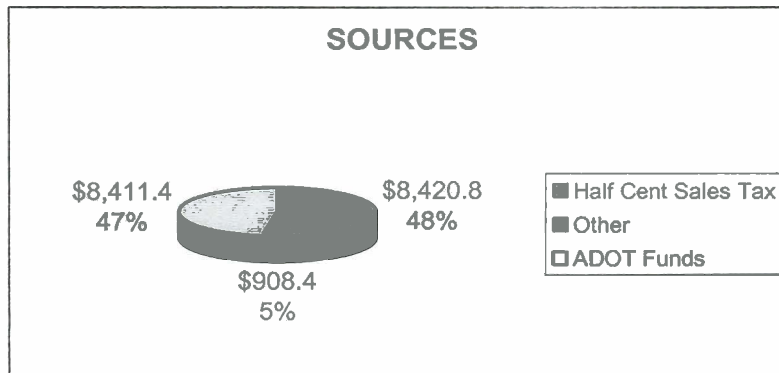
- Firewalls are established so funding cannot be transferred from one category to another.
- Bond proceeds will only be used for capital costs and not for maintenance or operation expenses.
- Consistent with the “firewall” principle, bonding for each funding category will be done independently.

Revenue Sources and Uses

The following pie chart depicts the sources and uses of Regional Transportation Plan Freeway Program revenues. The sources consist of the transportation excise tax (half cent sales tax), ADOT Funds and various other revenues. The transportation excise tax makes up 48 percent of the total revenues, with ADOT Funds reflecting 47 percent and the remaining 5 percent consisting of various other funding sources, primarily federal aid.

Of the available funding, 66 percent is used for design, right of way and construction. Of the remainder, 13 percent is used for cost of capital and 21 percent is used for a discount factor and Regional Public Transit Authority (RPTA) transfers.

Certified Financial Plan
Fiscal Years 2006 – 2026
(dollars in millions)
Total Sources/Uses : \$17,740.6



* Construction includes design, right of way and construction

Net Revenues

The following chart reflects a breakdown of the individual revenues and costs for the Regional Transportation Plan Freeway Program.

REVENUES	January 2008	July 2008	Change
Half Cent Sales Tax	\$8,645.5	\$8,420.8	(\$224.7)
Highway User Revenues	\$2,702.8	\$2,698.7	(\$4.1)
Federal Aid /1	\$578.4	\$638.2	\$59.8
MAG 37% Dedicated	\$5,241.1	\$5,229.7	(\$11.4)
State Discretionary /2	\$279.5	\$279.5	\$0.0
3rd Party	\$55.9	\$53.4	(\$2.5)
STAN	\$193.4	\$203.5	\$10.1
Interest Income /3	\$139.2	\$137.5	
Other Income	\$47.1	\$79.3	\$32.2
Subtotal: Revenues	\$17,882.9	\$17,740.6	(\$142.3)
EXPENDITURES			
Cost of Capital /4	(\$2,564.4)	(\$2,379.2)	\$185.2
Discount Factor /5	(\$3,326.2)	(\$3,486.1)	(\$159.9)
RPTA Transfer	(\$221.6)	(\$221.6)	\$0.0
Other Costs	(\$23.5)	(\$27.9)	(\$4.4)
Subtotal: Costs	(\$6,135.7)	(\$6,114.8)	\$20.9
Net Funds Available	\$11,747.2	\$11,625.8	(\$121.4)

Notes: Details may not add due to rounding. Dollars in millions.

/1 Includes STP and CMAQ.

/2 Includes Dedicated Highway, Discretionary transfer to Grand Ave, Bethany Home Rd, private funds (I-10, 395th Ave) and Wickenburg Bypass.

/3 Interest income is on a cash basis and assumes a 3% rate with 95% invested. Interest income is dependent on fund balances.

/4 Includes estimated RARF, HURF, GAN interest expense and debt service fund interest earned.

/5 Discount Factor represents conversion of construction program from inflated to current dollars.

Freeway Construction Costs and Changes

The design and construction cost estimates for the Regional Transportation Plan Freeway Program (RTPFP) projects are thoroughly reviewed and updated by three management consultants, DMJM Harris, HDR and PB for the RTP Freeway Program. The management consultants continually review and evaluate design and construction cost estimates. They also provide preliminary engineering services by developing scoping, Stage I (15%) and Stage II (30%) project documents for the RTPFP. This effort helps define design and right of way requirements allowing ADOT to establish better cost estimates for design, right of way, utility relocations and construction. They further monitor the design consultants' cost estimates through the remaining design phases including the final estimates. The management consultants also evaluate contractor bids for RTPFP construction projects to constantly monitor construction unit cost trends, such as the cost of concrete, asphalt, structures, drainage and other items used to establish project cost estimates. These recent bids are then used to update projects in the scoping and design phases.

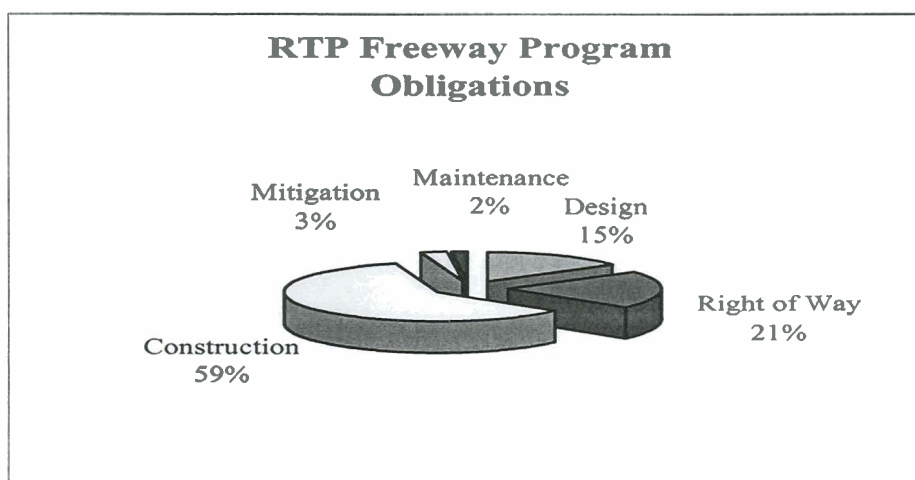
A revenue forecast was developed during the September 2007 Risk Analysis Process. Panel members from various segments of the real estate and economic community were invited to discuss future risks and trends in revenues. The risk analysis process consultant updated construction cost forecast models and utilized the panel input to calculate discount factors. The consultant, ADOT Financial Management services, MAG and Regional Freeway System office reviewed the discount factors and made adjustments to fit current cost trends. The information collected was used in the Risk Analysis Process to ensure that ADOT has sufficient resources to complete the RTPFP Life Cycle Program by projecting the rate of construction cost growth for the Life Cycle period (See Appendix A for Discount Factors).

Obligations

Obligations by phase and corridor are listed in the table below. These figures are through June 30, 2008. Regional Transportation Plan Freeway Program (RTPFP) obligations since the last certification increased \$336 million, from \$1,171 million to \$1,507 million.

Regional Transportation Plan Freeway Program Obligations Through June 30, 2008 (dollars in millions)

Corridor	Design	Right of Way	Construction	Noise Mitigation	Maintenance	Total
I-10, Papago & Maricopa	\$21.2	\$12.8	\$117.5	\$0.0	\$0.0	\$151.5
I-10 Reliever (SR801)	\$0.0	\$15.0	\$0.0	\$0.0	\$0.0	\$15.0
I-17, Black Canyon	\$12.1	\$92.2	\$267.3	\$0.0	\$0.0	\$371.6
SR51, Piestewa	\$3.5	\$0.0	\$47.6	\$0.0	\$0.0	\$51.1
US60, Grand Ave	\$5.5	\$1.0	\$6.1	\$0.0	\$0.0	\$12.6
US60, Superstition	\$2.3	\$0.0	\$123.7	\$0.0	\$0.0	\$126.0
SR74	\$0.0	\$1.0	\$0.0	\$0.0	\$0.0	\$1.0
SR85	\$32.1	\$19.9	\$44.2	\$0.0	\$0.0	\$96.2
SR87, Duthie-Martin	\$2.5	\$0.4	\$21.5	\$0.0	\$0.0	\$24.4
SR88, Apache Trail	\$0.2	\$0.0	\$0.2	\$0.0	\$0.0	\$0.4
US93	\$0.0	\$10.3	\$32.3	\$0.0	\$0.0	\$42.6
101L, Agua Fria	\$0.7	\$0.0	\$26.4	\$0.0	\$0.0	\$27.1
101L, Pima	\$8.6	\$4.0	\$132.2	\$0.0	\$0.0	\$144.8
101L, Price	\$5.0	\$0.0	\$55.6	\$0.0	\$0.0	\$60.6
SR153, Sky Harbor	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
202L, Red Mountain	\$4.3	\$0.0	\$7.7	\$0.0	\$0.0	\$12.0
202L, Santan	\$0.0	\$0.0	\$0.5	\$0.0	\$0.0	\$0.5
202L, South Mountain	\$8.3	\$12.0	\$0.0	\$0.0	\$0.0	\$20.3
SR303L, Bob Stump Memorial Parkway	\$46.1	\$95.4	\$0.0	\$0.0	\$0.0	\$141.5
Williams Gateway	\$0.0	\$24.3	\$0.0	\$0.0	\$0.0	\$24.3
Systemwide	\$77.5	\$22.7	\$9.2	\$50.6	\$23.3	\$183.3
TOTAL	\$229.9	\$311.0	\$892.0	\$50.6	\$23.3	\$1,506.8



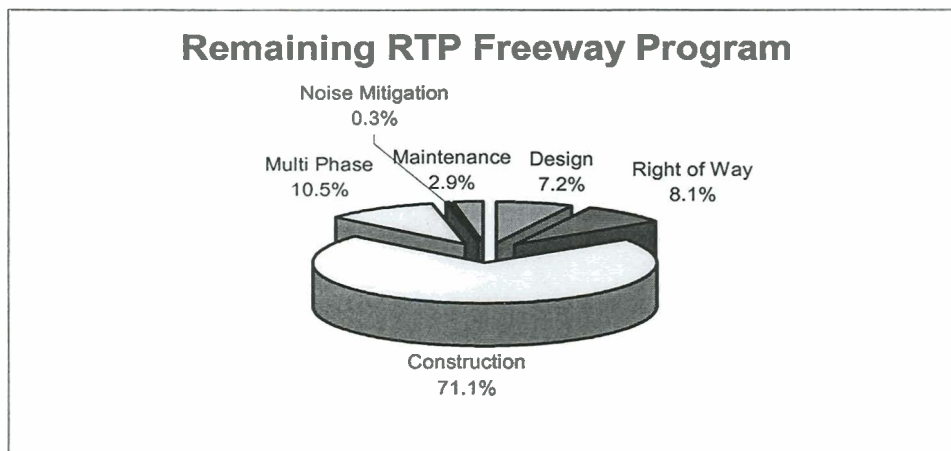
Remaining System Costs

There remain \$9.05 billion of costs associated with the Regional Transportation Plan Freeway Program (RTPFP), a decrease of \$371 million from the January 2008 Certification.

Regional Transportation Plan Freeway Program (dollars in millions)

Regional Transportation Plan Freeway Program							
Corridor	Design	Right of Way	Construction	Multi Phase*	Noise Mitigation	Maintenance	Total
I-10, Papago & Maricopa	\$52.1	\$30.0	\$863.3	\$5.5	\$0.0	\$0.0	\$950.9
I-10 Reliever (SR801)	\$0.0	\$70.0	\$464.0	\$271.0	\$0.0	\$0.0	\$805.0
I-17, Black Canyon	\$19.0	\$5.0	\$855.2	\$370.0	\$0.0	\$0.0	\$1,249.2
SR51	\$4.2	\$0.0	\$47.0	\$0.0	\$0.0	\$0.0	\$51.2
US60, Grand Ave	\$6.2	\$0.0	\$220.1	\$34.0	\$0.0	\$0.0	\$260.3
US60, Superstition	\$4.6	\$0.0	\$44.0	\$0.0	\$0.0	\$0.0	\$48.6
SR74	\$0.0	\$47.0	\$5.6	\$0.0	\$0.0	\$0.0	\$52.6
SR85	\$4.9	\$9.5	\$100.9	\$0.0	\$0.0	\$0.0	\$115.3
SR87, Duthie-Martin	\$0.0	\$0.0	\$25.2	\$0.0	\$0.0	\$0.0	\$25.2
SR88, Apache Trail	\$0.0	\$0.0	\$1.5	\$0.0	\$0.0	\$0.0	\$1.5
US93	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
101L, Agua Fria	\$41.3	\$0.0	\$439.9	\$0.0	\$0.0	\$0.0	\$481.2
101L, Pima	\$20.5	\$0.0	\$256.1	\$8.0	\$0.0	\$0.0	\$284.6
101L, Price	\$5.0	\$0.0	\$48.0	\$0.9	\$0.0	\$0.0	\$53.9
143, Hohokam	\$3.6	\$0.0	\$35.1	\$0.0	\$0.0	\$0.0	\$38.7
SR153, Sky Harbor	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
202L, Red Mountain	\$24.0	\$0.0	\$294.5	\$0.0	\$0.0	\$0.0	\$318.5
202L, Santan	\$32.1	\$0.0	\$342.4	\$0.0	\$0.0	\$0.0	\$374.5
202L, South Mountain	\$65.0	\$280.0	\$767.0	\$0.0	\$0.0	\$0.0	\$1,112.0
SR303L, Bob Stump Memorial Parkway	\$53.6	\$174.2	\$1,406.0	\$40.0	\$0.0	\$0.0	\$1,673.8
Williams Gateway (SR802)	\$10.0	\$8.0	\$203.0	\$110.0	\$0.0	\$0.0	\$331.0
Systemwide	\$303.1	\$113.0	\$15.0	\$108.1	\$24.4	\$258.4	\$822.0
TOTAL	\$649.2	\$736.7	\$6,433.8	\$947.5	\$24.4	\$258.4	\$9,050.0

* Multi Phase: Includes more than one phase (For example, project described as "Design and R/W" or "Design and Construction" etc.).



Roadway Design

ADOT currently has 19 major Regional Transportation Plan Freeway Program projects under design.

Major design work continues on the following projects:

Corridor	Project Location	Length (Mile)	Design Status
I-10, Papago	Verrado Way – Sarival Ave.	6	Stage IV
I-10, Papago	Sarival Ave. – Dysart Rd.	4	Final
I-17, Black Canyon	Dove Valley Rd.	TI	Final
I-17, Black Canyon	SR74 – Anthem Way	5	Stage IV
US60, Grand Ave.	99 th Ave. – 83 rd Ave.	2.5	Final
US60, Grand Ave.	SR303L – 99 th Ave.	10	Stage IV
SR74	MP20 – MP22	2	Stage III
SR85	Southern Ave. – I-10	2	Stage IV
SR101L, Agua Fria	Beardsley Rd./Union Hills Dr.	TIs	Stage IV
SR143, Hohokam	SR143/Sky Harbor Blvd.	TI	Stage II
SR202L, Red Mountain	SR51 – SR101L	10	Design-Build
SR202L, Red Mountain	SR101L – Gilbert Rd.	6	Stage IV
SR303L	SR303L/I-10 TI	TI	Stage II
SR303L	Thomas Rd. – Peoria Ave.	8	Stage II
SR303L	Cactus Rd., Waddell Rd. and Bell Rd.	TIs	Stage III
SR303L	Peoria Ave. – Bell Rd.	4	Stage II
SR303L	Bell Rd. – US60, Grand Avenue	3	Stage II
SR303L	Lake Pleasant Rd. – I-17	7	Final
SR303L	Happy Valley Rd. – Lake Pleasant Rd.	7	Final

Stage I: 15% Plan
Stage II: 30% Plan
Stage III: 60% Plan
Stage IV: 95% Plan
Final: 100% Plan

Right of Way

During the July 2008 Certification reporting period (December 1, 2007 through May 31, 2008), the Right of Way Group acquired 258.5 acres for the RTP Freeway Program. As of June 1, 2008, the Right of Way Group has acquired 1,335 acres for the RTP Freeway Program.

RTP Freeway Program Right of Way (acres)

Corridor	Last Certification Total	Acquired during this Certification Period	Total
I-10, Papago & Maricopa	9.8	1.5	11.3
I-10 Reliever (SR801)	0.0	75.6	75.6
I-17, Black Canyon	73.2	0.2	73.4
SR51, Piestewa	0.0	0.0	0.0
US60, Grand Ave.	0.0	0.0	0.0
US60, Superstition	0.0	0.0	0.0
SR74	0.0	0.0	0.0
SR85	873.8	148.3	1,022.1
SR87, Duthie-Martin	1.2	0.0	1.2
SR88, Apache Trail	0.0	0.0	0.0
US93	107.5	0.0	107.5
101L, Agua Fria	0.0	0.0	0.0
101L, Pima	0.0	3.1	3.1
101L, Price	0.0	0.0	0.0
SR153, Sky Harbor	0.0	0.0	0.0
202L, Red Mountain	0.0	0.0	0.0
202L, Santan	0.0	0.0	0.0
202L, South Mountain	11.0	8.2	19.2
SR303L, Bob Stump Memorial Parkway	0.0	21.6	21.6
Williams Gateway (SR802)	0.0	0.0	0.0
Systemwide	0.0	0.0	0.0
Total	1,076.5	258.5	1,335.0



Janet Napolitano
Governor

Victor M. Mendez
Director

Arizona Department of Transportation
Intermodal Transportation Division
206 South Seventeenth Avenue Phoenix, Arizona 85007-3213

Floyd Roehrich Jr.
Acting State Engineer

LETTER OF CERTIFICATION

The Intermodal Transportation Division of the Arizona Department of Transportation (ADOT) has completed a six month review and update of costs associated with construction of the Regional Transportation Plan (RTP) Freeway Program. Construction and design costs have been updated by our Valley Project Management Group; DMJM Harris, HDR and PB, our three management consultants; and the consultants currently preparing final construction plans. Right of way costs have been updated by the ADOT Right of Way Group reflecting current appraisals and changes in right of way requirements. This information replaces data previously certified on January 31, 2008.

The construction and right of way cost data in this document provides an accurate accounting of costs incurred and includes a realistic estimate of future costs based upon current construction costs and real estate values. Estimated future costs are subject to changes in the economy and are affected by variables in national, state and localized market values and trends.

The results of our review provide an accurate basis upon which to schedule and fund the balance of the freeway construction program for Fiscal Years 2009-2013. However, the Department will continue to monitor all trends.

Floyd Roehrich Jr.
Acting State Engineer

17 July 08

Date

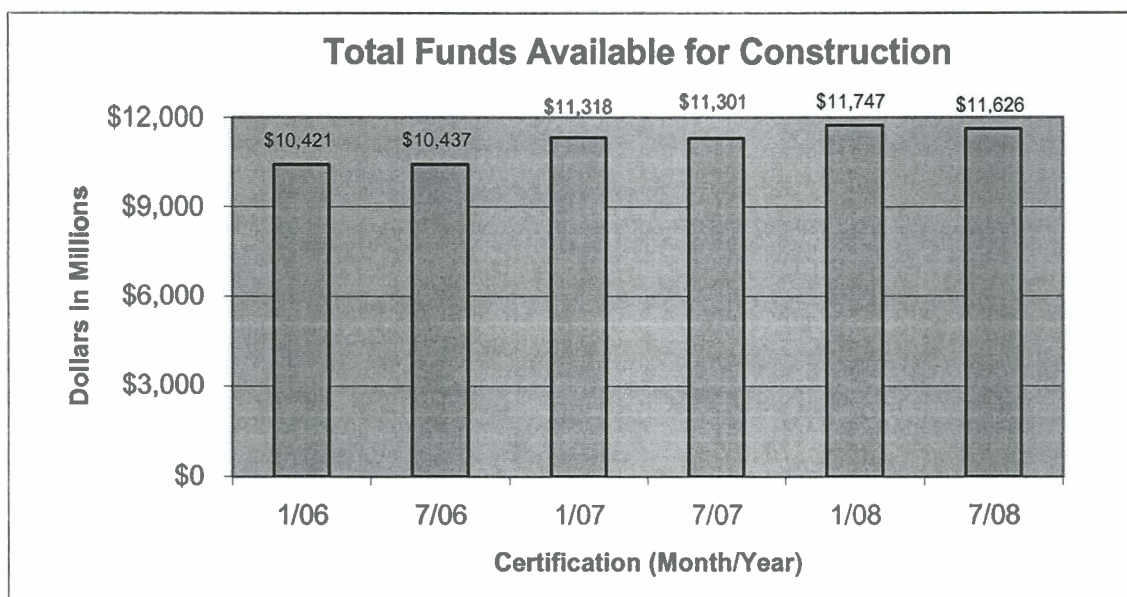
Historical Overview of Funding

The Director of the Department of Transportation has been certifying the revenues available for construction of the Regional Transportation Plan (RTP) Freeway Program since January 2006. Table 1 shows the revenue estimates and associated costs beginning with the January 2006 Certification. Graph 1 shows the level of funding available for construction of the RTP Freeway Program.

Table 1
Historical RTP Freeway Program Funds Available for Construction (dollars in millions)

Certification	Revenues				Costs				Available for Construction
	1/2 Cent Tax	ADOT Funds	Other	Total	Capital	Discount Factor	Other	Total	
January 2006	\$8,178.4	\$7,990.1	\$665.3	\$16,833.8	(\$2,279.1)	(\$3,908.3)	(\$225.0)	(\$6,412.4)	\$10,421.4
July 2006	\$8,199.7	\$8,112.2	\$676.7	\$16,988.6	(\$2,403.0)	(\$3,906.0)	(\$242.4)	(\$6,551.4)	\$10,437.2
January 2007	\$8,652.1	\$8,371.8	\$724.6	\$17,748.5	(\$2,483.2)	(\$3,702.8)	(\$244.4)	(\$6,430.4)	\$11,318.1
July 2007	\$8,652.1	\$8,371.8	\$732.3	\$17,756.2	(\$2,576.7)	(\$3,635.3)	(\$243.6)	(\$6,455.6)	\$11,300.6
January 2008	\$8,645.5	\$8,416.8	\$820.6	\$17,882.9	(\$2,564.4)	(\$3,326.2)	(\$245.1)	(\$6,135.7)	\$11,747.2
July 2008	\$8,420.8	\$8,411.4	\$908.4	\$17,740.6	(\$2,379.2)	(\$3,486.1)	(\$249.5)	(\$6,114.8)	\$11,625.8

Graph 1



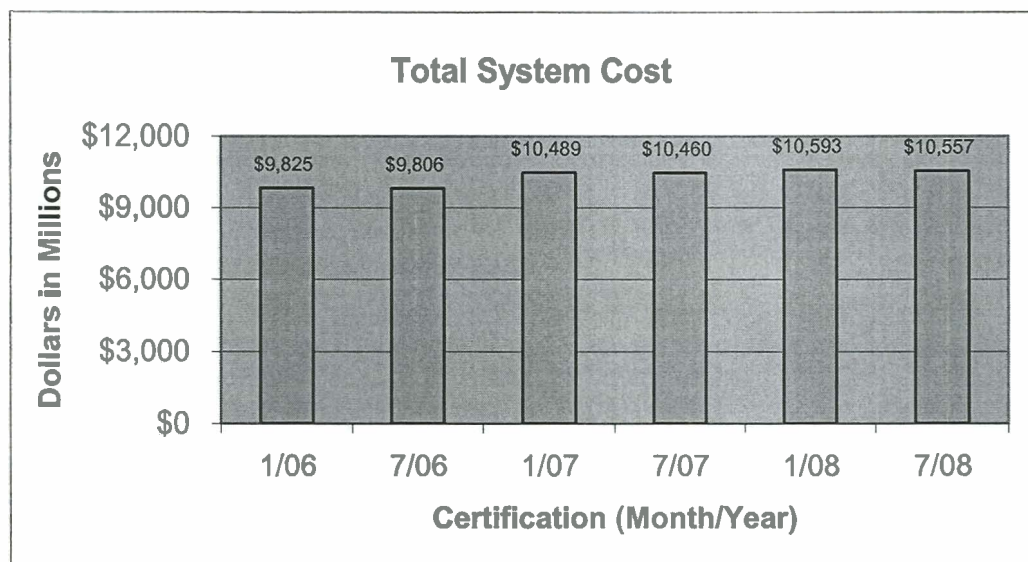
Historical Overview of Costs

The Director of the Department of Transportation has been certifying the cost to complete the Regional Transportation Plan (RTP) Freeway Program since January 2006. Table 2 shows the cost estimates for the system beginning with the January 2006 Certification. Graph 2 represents the estimated total cost of the RTP Freeway Program.

Table 2
Historical RTP Freeway Program Cost Estimates (dollars in millions)

Certification	Obligations	Cost to Complete	Total System Cost
January 2006	\$178.0	\$9,647.1	\$9,825.1
July 2006	\$234.3	\$9,571.3	\$9,805.6
January 2007	\$435.2	\$10,053.4	\$10,488.6
July 2007	\$779.0	\$9,681.0	\$10,460.0
January 2008	\$1,171.3	\$9,421.2	\$10,592.5
July 2008	\$1,506.8	\$9,050.0	\$10,556.8

Graph 2



Appendix A

Discount factors representing the rate of construction cost growth are calculated using software developed by HDR - Hickling, Lewis and Brod Inc. Data from the September 2007 Risk Analysis Process (RAP) for construction was utilized to compute factors for design and construction. These factors represent potential cost growth which includes general inflation.

Cash Flow Discount Factors (percent)

For Design & Construction

For Right of Way

Fiscal Year	Design & Construction	Fiscal Year	Right of Way
2009	6.0	2009	6.0
2010	3.0	2010	3.0
2011	3.0	2011	3.0
2012	3.0	2012	3.0
2013	3.0	2013	3.0